



California Energy Commission

Natural Gas Working Group Meeting: Prices

June 7, 2012

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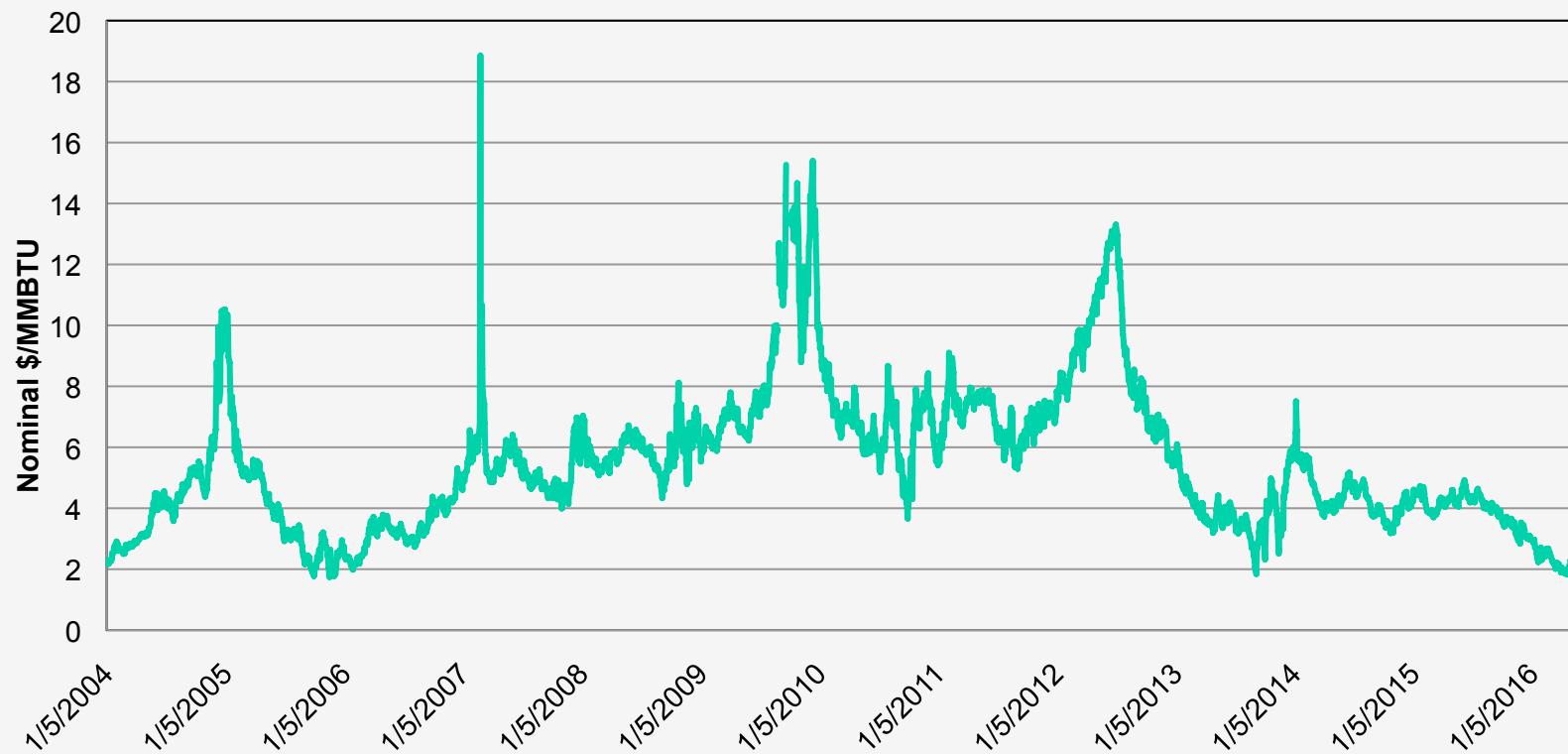
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Henry Hub Daily Spot Price

- Average duration between spikes: 2 years
- Prices started a mild increase since the end of April, this has reversed since the end of May

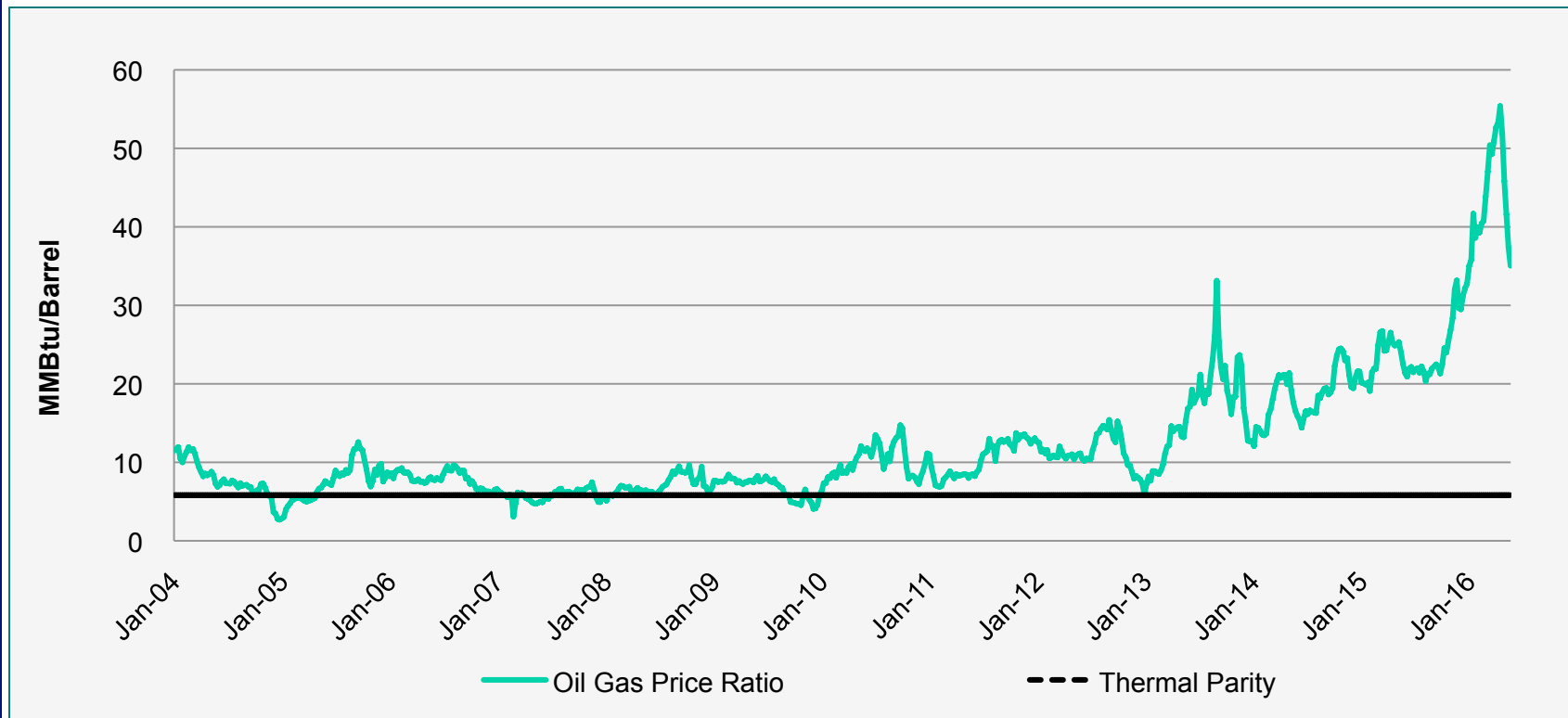




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Crude Oil/Natural Gas Price Ratio

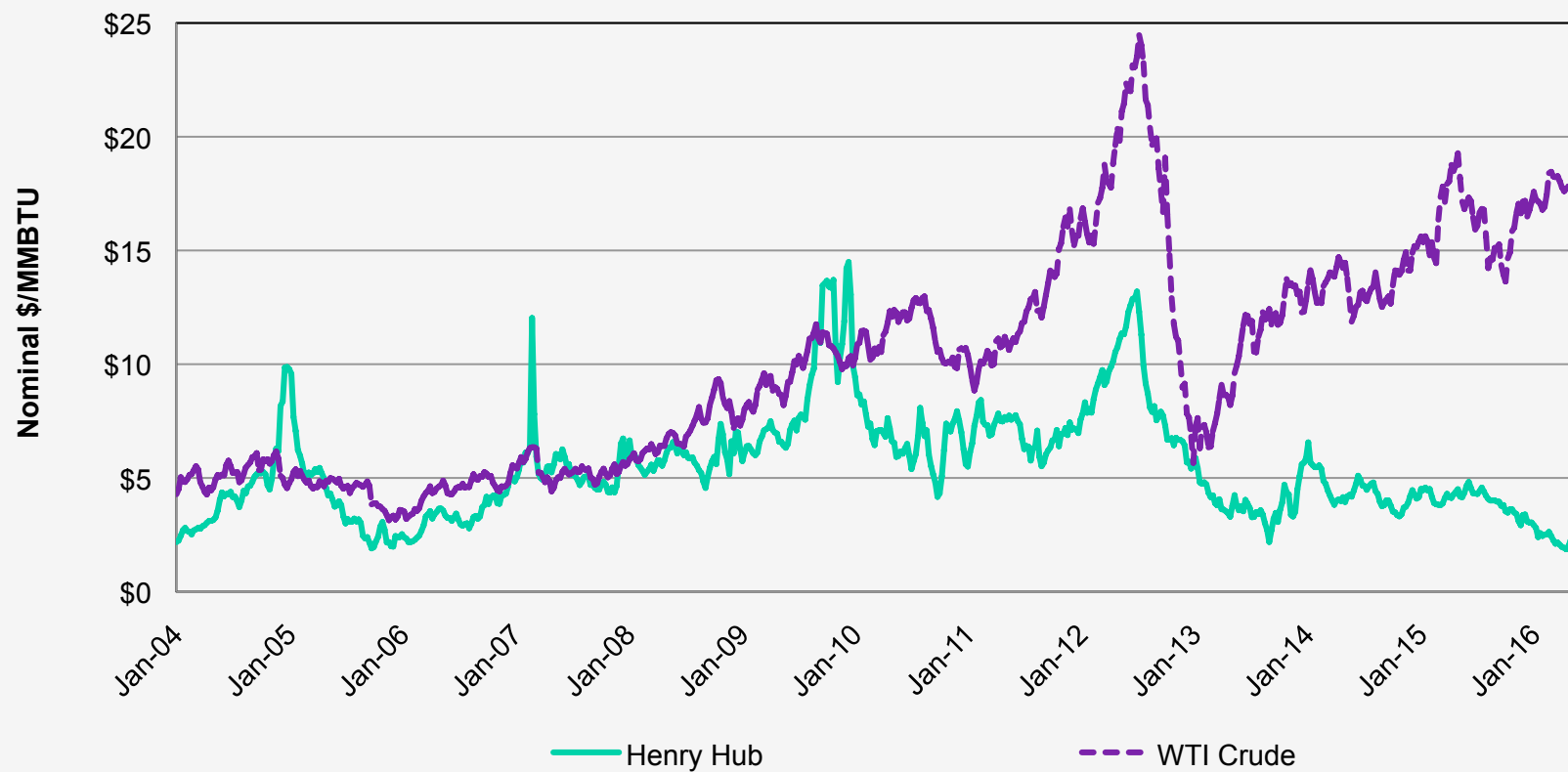
- The oil/gas ratio has been increasing since 2009
- Oil prices falling since May; ratio is now smaller
- Before shale gas was a major factor, gas and oil were at thermal parity several times





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Crude Oil & Natural gas Prices

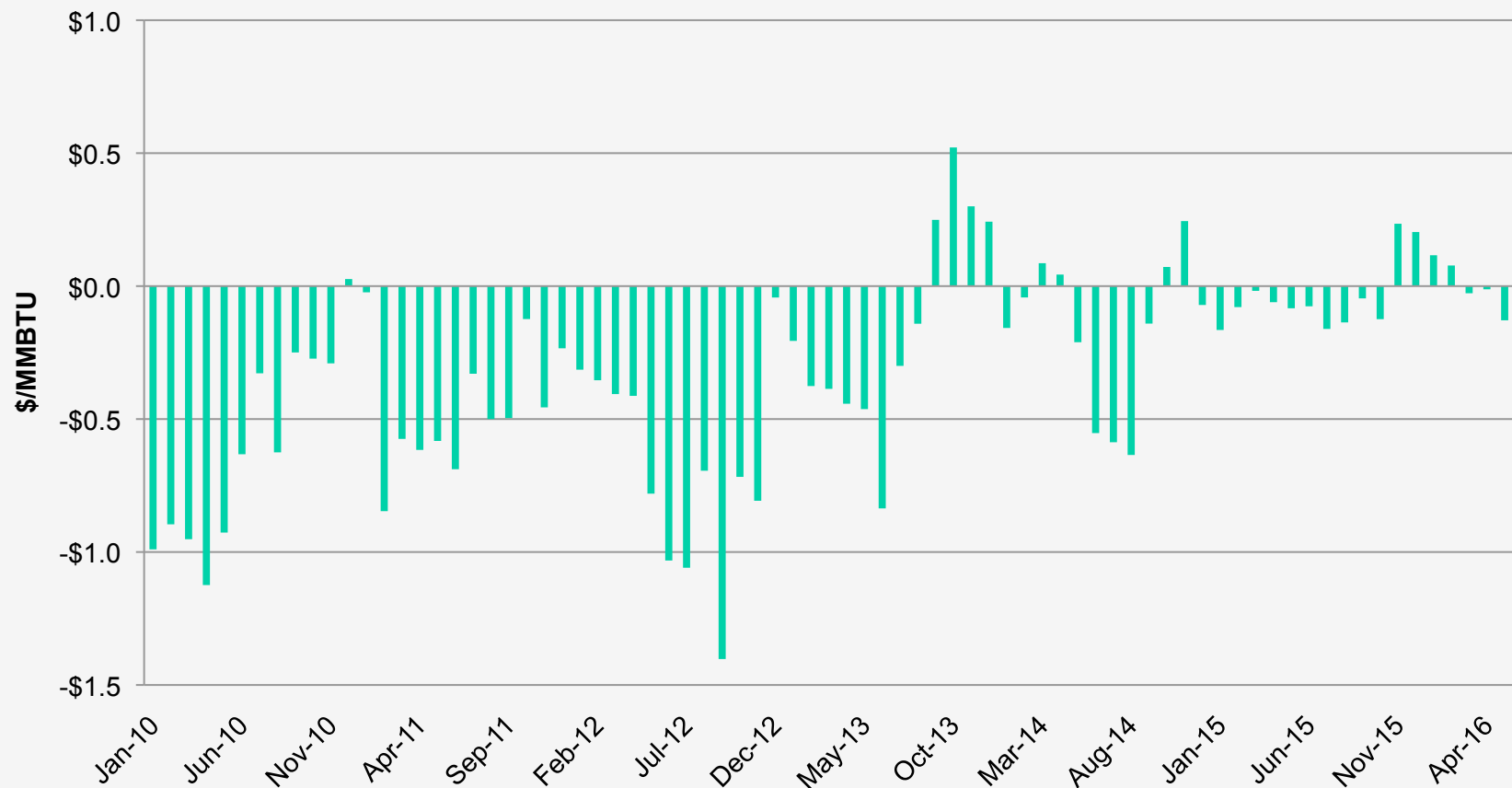




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Malin Basis to Henry Hub

- Basis has stabilized over past few years.
- Has become more apparent since 2011

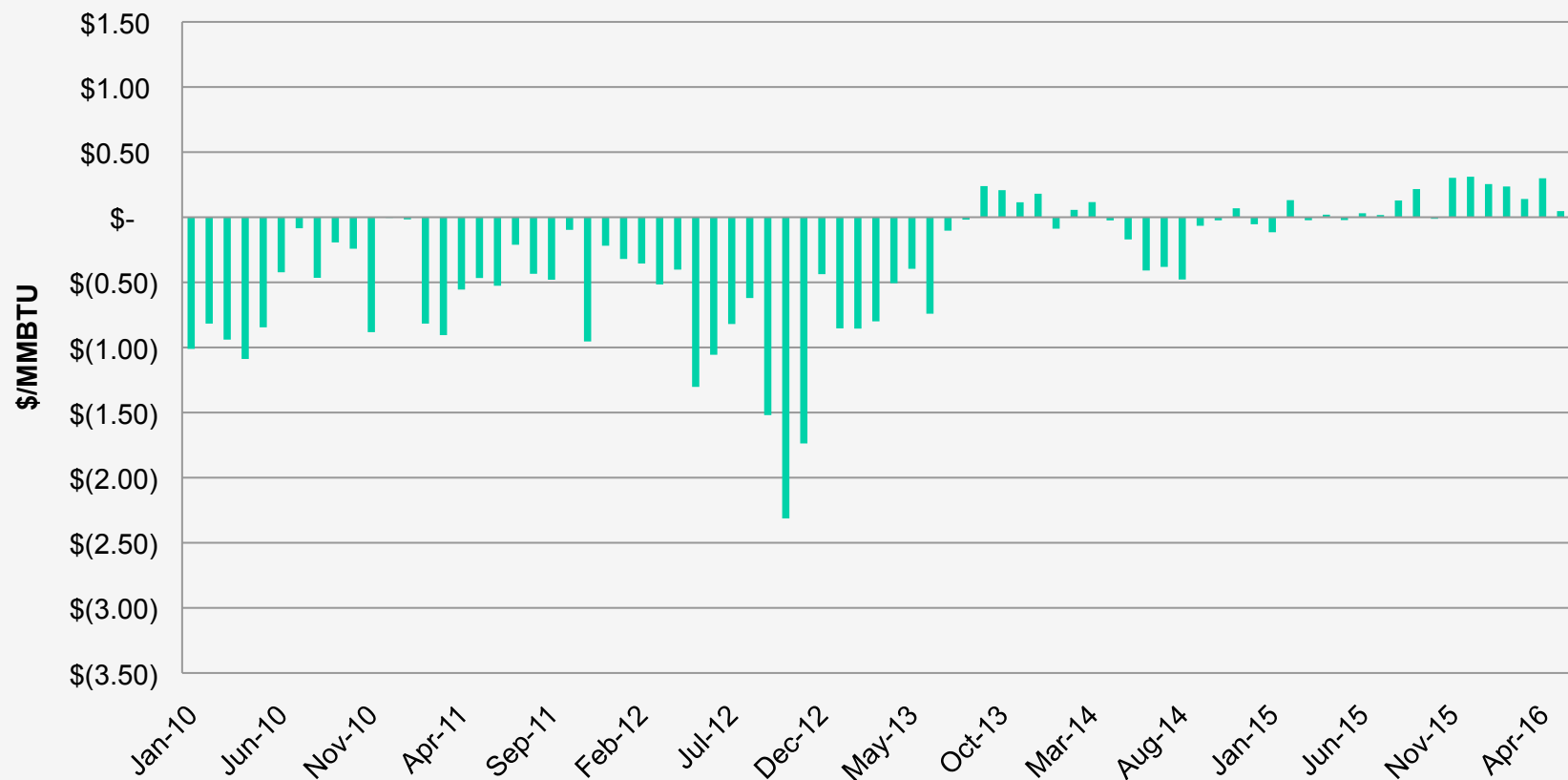




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SoCal border basis to Henry Hub

- Similar story to Malin basis.
- Last few months SoCal has traded at a premium to Henry Hub

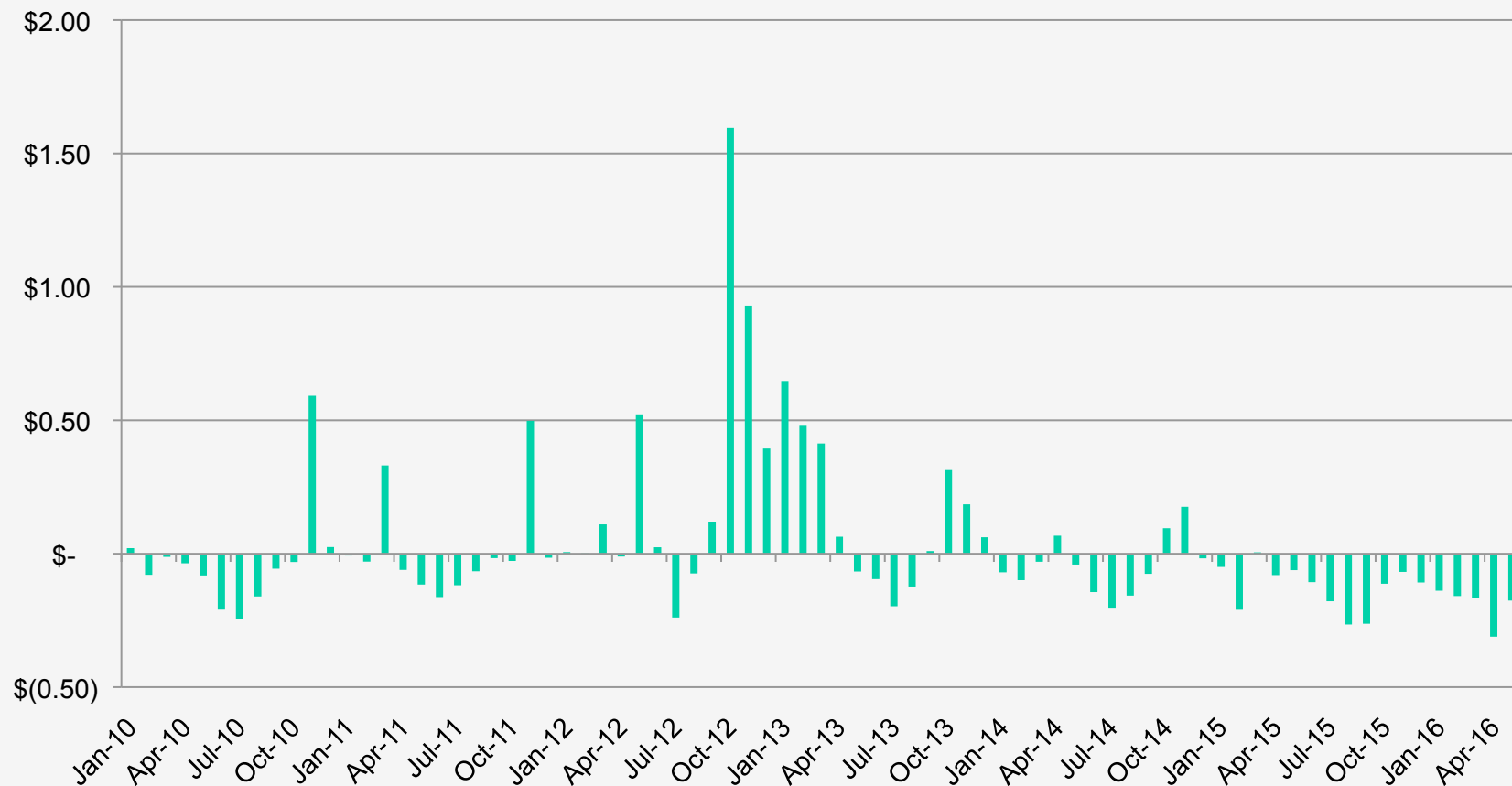




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Malin SoCal Basis

- 2006 through 2009 Malin traded at a premium to SoCal (\$0.10)
- 2010 through present SoCal traded at a premium to Malin (-\$0.10)





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Henry Hub, Futures Price vs. Spot Price

- The data plots the average monthly spot price, and the 22 day trading average prompt month futures price.
- Spot prices follow futures prices fairly closely
- Futures price is generally higher than the spot price (risk premium).

